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SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

RICHARD M. RINDLER

DIRECT: (202) 424-7771
RMRINDLER@SWIDLAW.COM

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7647
WWW.SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TEL. (212) 973-0111
FAX (212) 891-9598

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October 7, 2002

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Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: **Notice of Ex Parte Meeting** in CC Docket No. 99-68, CC Docket No. 96-98, CC Docket No. 01-339, and WC 02-236

Dear Ms. Dortch:

Pursuant to Section 1.120(b)(2) of the Commission Rules, this letter is to provide notice in the above-captioned proceedings of an *ex parte* meeting. On October 7, 2002, John Sumpter (Vice President-Regulatory of Pac-West Telecomm, Inc.) and the undersigned met with Christopher Libertelli, Advisor to the Chairman.

At the meeting, we discussed the structure of the Pac-West network and the negative impact on network development and deployment of the Commission's interim compensation structure for intercarrier compensation for ISP-bound traffic. As a result of that compensation structure, Pac-West exited markets it had entered shortly before the imposition of the compensation structure and did not expand into new markets. Given the anticompetitive impact of the interim compensation structure, the substantially changed circumstances in the competitive industry since the adoption of the Order and the significant reduction in the compensation level as a result of the Order, Pac-West urged that the Commission remove the new market and growth cap provisions of its intercarrier compensation Order for ISP-bound traffic.

We also discussed the impact of the RBOC's interpretation of the Commission's use restrictions on the availability of EELs and combinations and the negative impact the restrictions had on the development of facilities-based competition. Finally, we discussed the pending application of Pacific Bell for interLATA authority. We noted that the Commission must

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carefully consider the significance of the factual finding by the California Public Utility Commission that the grant of authority would not be in the public interest.

Pursuant to Section 1.1206(a)(i) of the Commission's Rules, an original and one copy for each docket of this letter are being submitted to the Secretary for filing in the above-referenced proceeding.

Sincerely,



Richard M. Rindler

RMR/kas

cc: Christopher Libertelli